

FISCAL YEAR 2001 BUDGET ADDRESS
(APRIL 25, 2000)

GOOD AFTERNOON CHAIRMAN SWEARENGEN-HOLT, MEMBERS OF THE MEMPHIS CITY COUNCIL, FELLOW MEMPHIANS. I BELIEVE OUR CITIZENS WANT A SAFER AND CLEANER CITY, A STRONGER PARK SYSTEM, AND THEY WANT DOWNTOWN TO CONTINUE TO GROW.

I AM HERE TODAY TO PRESENT OUR FISCAL YEAR 2001 BUDGET. IT IS A PLAN THAT DEFINES OUR SPENDING PRIORITIES FOR NEXT YEAR AND LAYS A SOLIDE FOUNDATION TO BUILD UPON IN FUTURE YEARS.

DURING LAST FALL'S MAYORAL CAMPAIGN. I TALKED WITH THOUSANDS OF PEOPLE ACROSS THIS GREAT CITY. I HEARD FROM A CROSS SECTION OF OUR COMMUNITY ON HOW WE COULD IMPROVE CITY GOVERNMENT AND ENHANCE THE LIVES OF OUR CITIZENS.

I LISTENED TO THOSE INDIVIDUALS AND I HAVE TAKEN ACTION TO ADDRESS SOME OF THE ISSUES THEY RAISED.

WE HAVE CONSOLIDATED MHA AND HCD, PLACED RESPONSIBILITY FOR MAJOR INITIATIVES LIKE RIVERFRONT DEVELOPMENT IN THE HANDS OF PUBLIC/PRIVATE PARTNERSHIPS, AND RESTRUCTURED OUR PUBLIC SERVICES DIVISION TO SUPPORT NEIGHBORHOODS LIKE NEVER BEFORE. WE ARE COMPLETING A SEARCH FOR NEW LEADERSHIP FOR THE POLICE DIVISION AND WE ARE WORKING TO OUTSOURCE OUR INFORMATION SYSTEMS FUNCTIONS.

WE HAVE EVEN CHALLENGED MEMPHIS CITY SCHOOLS' BOARD OF EDUCATION TO RETHINK THE WAY THEY MANAGE THE TAX DOLLARS THAT THIS COUNCIL PROVIDES ON THEIR BEHALF.

SOME MAY ASK WHAT'S GOING ON AT CITY HALL? AND MY RESPONSE WOULD BE, THE SAME THING THAT IS GOING ON AT THIS CITY'S BEST COMPANIES, IN OUR OUTSTANDING NONPROFITS, AND AT OTHER ORGANIZATIONS ACROSS THIS COUNTRY. WE ARE INVENTING NEW WAYS OF DOING BUSINESS. WE ARE CHALLENGING OLD ASSUMPTIONS AND NOT SETTLING FOR THE STATUS QUO.

WE HAVE TO CHANGE LADIES AND GENTLEMAN, IF THIS CITY IS TO REACH ITS FULL MEASURE OF GREATNESS. WE DO NOT HAVE THE OPTION OF STAYING THE SAME.

AS WE LOOK AHEAD TO THE NEXT FISCAL YEAR, I SEE SOME TOUGH CHALLENGES. THE PROGRESS WE NEED TO MAKE FOR MEMPHIS WILL NOT COME EASY, NOR WILL IT COME WITHOUT NEW RESOURCES. BUT THE TOUGH DECISIONS WE FACE ARE MADE EASIER BY THE FACT THAT MEMPHIANS ARE TELLING US WE ARE DOING A LOT OF THINGS RIGHT.

LATE LAST YEAR, DR. MICHAEL KIRBY OF RHODES COLLEGE CONDUCTED ANOTHER MEMPHIS POLL. WITH EIGHT YEARS OF DATA, WE CAN SEE WHERE CITIZENS BELIEVE THINGS HAVE IMPROVED AND WHERE IMPROVEMENTS ARE STILL NEEDED. ON ALMOST EVERY KEY MEASURE, CITIZENS BELIEVE THE PERFORMANCE OF OUR CITY DIVISIONS HAS IMPROVED. IN THE FEW AREAS WHERE PERFORMANCE ISSUES EXIST, I WANT YOU TO KNOW THAT WE ARE TACKLING THOSE ISSUES IN OUR NEW BUDGET.

ALTHOUGH WE ADDRESS A MULTITUDE OF NEEDS IN THIS BUDGET, I BELIEVE THE FOLLOWING THREE MEASURES WILL BE THE TEST OF OUR SUCCESS IN FISCAL YEAR 2001:

1. DID WE MAKE VISIBLE PROGRESS IN REVITALIZING OUR CITY'S NEIGHBORHOODS?
2. DID WE MAKE OUR CITY SAFER AND CLEANER FOR CITIZENS?
AND,
3. DID WE ACT IN A FISCALLY RESPONSIBLE MANNER ON BEHALF OF OUR CITIZENS?

IF, AT THE END OF NEXT YEAR WE CAN ANSWER "YES" TO THESE THREE QUESTIONS, I BELIEVE, LADIES AND GENTLEMAN, THAT WE WILL HAVE DONE A VERY GOOD JOB AND HAD A VERY GOOD YEAR INDEED.

LET'S TALK ABOUT OUR PLANS.

SO MUCH OF OUR BUDGET IS SPENT FOR THE BENEFIT OF NEIGHBORHOODS. WHEN YOU THINK ABOUT IT, STREET PAVING, POLICING, FIRE SERVICES, AND GARBAGE COLLECTION ALL WORK TO THE BENEFIT OF NEIGHBORHOODS. BUT I BELIEVE SPECIAL EFFORTS AND A SHARPER FOCUS ON ENHANCING OUR NEIGHBORHOODS IS WARRANTED.

WHILE WE SEE EXCITING GROWTH AND NEW DEVELOPMENT IN MANY OF OUR NEIGHBORHOODS, WE ALSO SEE SIGNS OF DECLINE IN TOO MANY OTHERS. THAT'S WHY I HAVE PROPOSED \$3.6 MILLION IN THIS BUDGET FOR NEW CAPITAL SPENDING FOR NEIGHBORHOOD ENHANCEMENT PROJECTS.

IN CAREFULLY SELECTED, HIGH IMPACT LOCATIONS, WE WILL INSTALL ATTRACTIVE STREETScape PROJECTS AND OTHER

INFRASTRUCTURE IMPROVEMENTS SENDING REVITALIZATION SIGNALS TO NEARBY BUSINESSES AND HOMEOWNERS. THIS BUDGET INCLUDES \$850 THOUSAND DOLLARS FOR NEW STREETScape PROJECTS. I BELIEVE AS YOU DO THAT OUR NEIGHBORHOODS ARE WORTH INVESTING IN.

WE HAVE ALLOCATED \$350 THOUSAND DOLLARS TO CONTINUE OUR NEIGHBORHOOD DEMONSTRATION GRANT PROGRAM. COMMUNITY GROUPS THROUGHOUT THE CITY HAVE ACCESSED THESE FUNDS FOR NEIGHBORHOOD BEAUTIFICATION PROJECTS AND OTHER WORTHY EFFORTS. WE MUST, HOWEVER, CONTINUE TO ENCOURAGE THAT KIND OF PRIDE IN OUR NEIGHBORHOODS AND OUR CITY.

YOU KNOW ABOUT THE MAJOR WORK PLANNED FOR MCLEMORE AND LEMOYNE BUILT AROUND THE STAX LEGACY. THIS BUDGET PROVIDES \$2.5 MILLION FOR THAT REDEVELOPMENT EFFORT.

I AM ALSO PROPOSING \$300 THOUSAND TO ESTABLISH A COMMUNITY LOAN POOL FOR SMALL BUSINESSES. OUR LOCAL BANKING COMMUNITY AND SHELBY COUNTY GOVERNMENT WILL BE PARTNERS IN THIS VENTURE.

ANOTHER PUBLIC-PRIVATE PARTNERSHIP MODEL WE ARE SUPPORTING IS THE RIVERFRONT DEVELOPMENT CORPORATION. ALTHOUGH THE RIVERFRONT IS IN OUR DOWNTOWN NEIGHBORHOOD, IT IS SUCH A SPECIAL ASSET THAT MEMPHIANS AND PEOPLE THROUGHOUT THE WORLD RECOGNIZE ITS UNIQUENESS.

THIS BUDGET PROVIDES \$250,000 IN OPERATING FUNDS TO SUPPORT THE RIVERFRONT DEVELOPMENT CORPORATION. I AM ENCOURAGING KRISTI JERNIGAN AND JOHN STOKES TO LEVERAGE OUR CITY FUNDS WITH PRIVATE MONEY TO CONTINUE THIS

TRANSFORMATION THAT IS TAKING PLACE ON OUR RIVERFRONT. THE PLOUGH FOUNDATION HAS ALREADY STEPPED UP WITH MAJOR SUPPORT. I AM CONFIDENT THAT OTHER PARTNERS WILL JOIN US IN THE FUTURE AS WE CAPITALIZE ON ONE OF OUR CITY'S GREATEST ASSETS.

THIS BUDGET ALSO PROVIDES \$16.3 MILLION DOLLARS FOR 42 NEIGHBORHOOD PARKS /SLATED FOR IMPROVEMENTS NEXT YEAR AND \$8 MILLION FOR PAVING NEIGHBORHOOD STREETS.

YOU'LL SEE US WORKING ALL OVER THE CITY -SOUTH MEMPHIS, RALEIGH, NEW CHICAGO, WHITEHAVEN, THE DEPOT AREA, BETHEL GROVE, FRAYSER, ORANGE MOUND, MIDTOWN, SOUTHEAST MEMPHIS, BINGHAMPTON, AND KLONDYKE - TO ENSURE THAT WHAT IS MEMPHIS IS A STRONG MEMPHIS.

I ALSO REALIZE THAT WITHOUT A CLEAN AND SAFE CITY, NOTHING ELSE MUCH MATTERS. LIVING IN A SAFE AND CLEAN ENVIRONMENT IS FUNDAMENTAL TO OUR QUALITY OF LIFE.

OUR INVESTMENTS IN ADDITIONAL POLICE OFFICERS HAVE PAID OFF. CRIME, LADIES AND GENTLEMAN HAS BEEN REDUCED, AND CITIZENS ARE NOTICING THE LARGE NUMBER OF POLICE OFFICERS IN THEIR NEIGHBORHOODS. WE WILL CONTINUE OUR EFFORTS NEXT YEAR BY ONCE AGAIN BUDGETING THE ADDITION OF 200 NEW POLICE OFFICERS. WE WILL ALSO CONTINUE OUR SUMMER YOUTH INITIATIVE. PROVIDING OUR YOUTH WITH THE OPPORTUNITY TO PLAY A RESPONSIBLE, CONTRIBUTING ROLE IN OUR CITY IS AS MUCH A FACTOR IN CREATING A SAFE CITY AS IT IS IN CREATING A STRONG CITY. I AM CONVINCED OUR YOUTH INITIATIVE IS

BUILDING A STRONGER FUTURE FOR MEMPHIS. I AM RECOMMENDING A COMMITMENT OF \$2.2 MILLION FOR OUR YOUTH INITIATIVE.

LIKEWISE, WE ARE PROPOSING THAT THE CITY INCREASE ITS FUNDING TO HEADSTART BY \$200,000 NEXT YEAR. THIS BUDGET PROVIDES \$500 THOUSAND DOLLARS IN OPERATING FUNDS AND \$4.6 MILLION DOLLARS IN CAPITAL FUNDS FOR TWO NEW HEADSTART CENTERS TO MAKE QUALITY EARLY CHILDHOOD EDUCATION AVAILABLE TO MORE OF OUR NEEDY YOUNGSTERS IN OUR CITY.

MAKING MEMPHIS A CLEAN CITY IS AN AREA WHERE WE HAVE WORK TO DO. THE MEMPHIS POLL SHOWS CITIZENS' CONCERNS ABOUT LITTER ON NEIGHBORHOOD STREETS HAVE INCREASED IN THE PAST YEAR.

WE ARE DETERMINED TO MAKE REAL PROGRESS IN ATTACKING THIS PROBLEM. OUR GENERAL SERVICES DIVISION WILL CREATE A NEW TEAM TO REMOVE WE ARE ALLOCATING NEW PEOPLE AND CAPITAL RESOURCES TO GET THIS JOB DONE, AND WE'LL BE SPENDING A HALF MILLION DOLLARS TO SUPPORT THIS EFFORT. I, LIKE YOU, WOULD LIKE TO SEE MEMPHIS RECLAIM ITS TITLE OF AMERICA'S CLEANEST CITY.

FINALLY, BUT PERHAPS MOST IMPORTANT, THE CITIZENS OF MEMPHIS HAVE A RIGHT TO EXPECT US TO BE FISCALLY RESPONSIBLE - TO MAKE SOUND, FINANCIAL DECISIONS IN A TIMELY MANNER.

EARLY IN OUR TENURE, WE REBUILT THE CITY'S RESERVES FROM A LOW OF \$3.6 MILLION WHERE WE INHERITED THEM TO A HIGH OF \$63 MILLION IN 1997. THAT'S WHAT WE DID AS A TEAM. SINCE THAT TIME, WE HAVE USED A FISCALLY RESPONSIBLE

PORTION OF OUR RESERVES TO MAINTAIN A STABLE TAX RATE. WITH OUR RESERVES NOW AROUND \$35 MILLION, IT WOULD BE IRRESPONSIBLE TO DEplete THEM ANY FURTHER.

THIS YEAR I AM PROPOSING, AFTER CONSIDERATION, STUDY AND DELIBERATION, A 55 CENTS INCREASE IN THE PROPERTY TAX RATE TO ENSURE THE CITY'S FISCAL HEALTH AND CONTINUED PROGRESS.

TOGETHER WE HAVE REDUCED CRIME, INCREASED HOME OWNERSHIP, REVITALIZED OUR DOWNTOWN, INVESTED MONEY IN OUR SCHOOLS, AND PROMOTED RECORD ECONOMIC GROWTH IN OUR CITY.

ADDITIONALLY, WE HAVE ATTAINED ONE OF THE HIGHEST BOND RATINGS IN THE COUNTRY FOR A STAND ALONE SEWER SYSTEM WHILE MAINTAINING THE COUNTRY'S LOWEST SEWER FEES. LADIES AND GENTLEMEN IT IS CRITICAL THAT WE MAINTAIN THIS MOMENTUM AND BUILD ON OUR RECENT SUCCESS. HOWEVER, CONTINUED PROGRESS WILL REQUIRE ADDITIONAL RESOURCES.

WE HAVE GONE 6 YEARS WITHOUT A CITY PROPERTY TAX INCREASE. DURING THIS TIME THE CITY HAS EXPANDED SERVICES AND EXPERIENCED TREMENDOUS GROWTH. I BELIEVE 55 CENTS IS A PRUDENT INVESTMENT TO CONTINUE THE PROGRESS WE HAVE COLLECTIVELY ACHIEVED.

BEFORE I CLOSE, I WANT TO BRIEFLY ADDRESS THE STATUS OF OUR LABOR NEGOTIATIONS. AS YOU ARE AWARE, WE HAVE COME TO AN IMPASSE IN NEGOTIATIONS WITH FOUR OF OUR LARGEST BARGAINING UNITS.

THIS BUDGET THAT I AM PROPOSING INCLUDES A 3% WAGE INCREASE FOR ALL OF OUR VALUABLE CITY EMPLOYEES. I BELIEVE

THIS IS A FAIR WAGE OFFER AND ONE THAT IS CONSISTENT WITH
RAISES PROPOSED BY OTHER GOVERNMENT ENTITIES IN THE AREA.

I HOPE THIS COUNCIL WILL DEMONSTRATE ITS WILL TO DO
WHAT IS FAIR AND FISCALLY RESPONSIBLE AND AFFIRM A 3%
SALARY INCREASE FOR ALL OF OUR CITY EMPLOYEES.

FINALLY, I WANT TO TAKE A MINUTE TO EXPRESS MY
APPRECIATION TO OUR DEDICATED CITY WORKFORCE. MANY
EMPLOYEES ARE HERE TOO AND I APPLAUD THE STEADY
IMPROVEMENTS WE'VE SEEN IN THE MEMPHIS POLL THAT ARE
PRIMARILY DUE TO THEIR EFFORTS. I APPLAUD THEM ALL.

MY STAFF AND I LOOK FORWARD TO WORKING WITH YOU DURING
THE COMING WEEKS TO DISCUSS OUR PLANS IN GREATER DETAIL AND
TO ADOPT A BUDGET THAT PROVIDES FOR ANOTHER FOUR YEARS
OF PROGRESS THAT WE CAN ALL BE PROUD OF.

I THANK YOU VERY MUCH MADAM CHAIR AND MEMBERS OF THE
COUNCIL. THE OPERATING AND CAPTIAL BUDGET WILL BE PASSED
OUT TO YOU NOW.

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